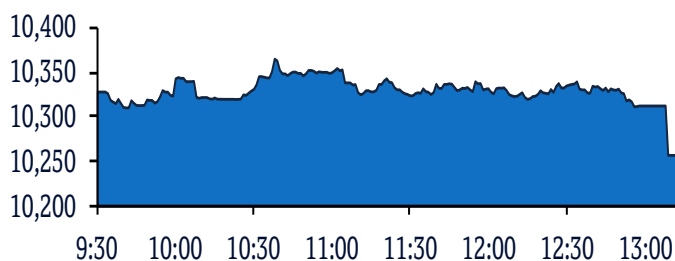


QSE Intra-Day Movement



Qatar Commentary

The QE Index declined 0.8% to close at 10,256.9. Losses were led by the Transportation and Industrials indices, falling 1.5% and 1.4%, respectively. Top losers were Qatar Navigation and Industries Qatar, falling 2.7% and 2.4%, respectively. Among the top gainers, Salam International Investment Limited gained 6.9%, while Investment Holding Group was up 5.8%.

GCC Commentary

Saudi Arabia: The TASI Index fell 1.6% to close at 8,005.8. Losses were led by the Media & Entertainment and Materials indices, falling 2.2% and 2.1%, respectively. Anaam Int. Holding declined 6.0%, while Al Yamamah Steel Ind. was down 4.7%.

Dubai: The DFM Index gained 0.3% to close at 2,722.4. The Consumer Staples and Discretionary index rose 3.3%, while the Telecommunication index gained 0.9%. Mashreqbank rose 13.1%, while Khaleeji Commercial Bank was up 4.3%.

Abu Dhabi: The ADX General Index fell 0.1% to close at 5,036.5. The Investment & Financial Services index declined 0.4%, while the Telecommunication index fell 0.2%. Gulf Cement Co. declined 4.1%, while Eshraq Investments was down 2.0%.

Kuwait: The Kuwait All Share Index gained 0.3% to close at 6,115.3. The Banks index rose 0.7%, while the other indices ended flat or in the red. Sanam Real Estate Company rose 15.9%, while National International Company was up 9.8%.

Oman: The MSM 30 Index gained 0.1% to close at 4,019.7. Gains were led by the Industrial and Services indices, rising 0.2% and 0.1%, respectively. Renaissance Services rose 4.4%, while Raysut Cement was up 2.1%.

Bahrain: The BHB Index gained 0.8% to close at 1,567.4. The Commercial Banks index rose 1.3%, while the Hotels & Tourism index gained 1.2%. Delmon Poultry Company rose 4.2%, while Nass Corporation was up 3.7%.

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Salam International Inv. Ltd.	0.51	6.9	10,968.6	17.8
Investment Holding Group	0.57	5.8	9,299.8	16.4
Alijarah Holding	0.70	2.5	1,890.2	(20.4)
Qatar Oman Investment Company	0.67	2.3	3,004.4	24.5
Qatar General Ins. & Reins. Co.	2.51	1.2	14.4	(44.1)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Baladna	1.00	0.0	27,872.7	0.0
Salam International Inv. Ltd.	0.51	6.9	10,968.6	17.8
Masraf Al Rayan	3.95	1.0	10,813.9	(5.2)
Investment Holding Group	0.57	5.8	9,299.8	16.4
Qatar First Bank	0.31	(1.0)	9,264.1	(24.8)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded (\$ mn)	Exchange Mkt. Cap. (\$ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,256.93	(0.8)	(1.0)	1.1	(0.4)	302.06	156,103.7	14.9	1.5	4.2
Dubai	2,722.43	0.3	1.0	1.6	7.6	44.56	101,016.5	10.8	1.0	4.3
Abu Dhabi	5,036.46	(0.1)	(0.2)	0.1	2.5	52.92	140,349.3	15.5	1.4	5.0
Saudi Arabia	8,005.77	(1.6)	1.3	1.9	2.3	4,926.14	2,461,660.9	20.6	1.8	3.8
Kuwait	6,115.33	0.3	1.3	3.2	20.4	135.20	114,482.2	15.0	1.4	3.5
Oman	4,019.67	0.1	(0.2)	(1.1)	(7.0)	3.65	17,311.5	7.6	0.7	7.4
Bahrain	1,567.41	0.8	1.3	2.6	17.2	4.47	24,494.1	12.7	1.0	5.0

Source: Bloomberg, Qatar Stock Exchange, Tadawul, Muscat Securities Market and Dubai Financial Market (** TTM; * Value traded (\$ mn) do not include special trades, if any)

Market Indicators	12 Dec 19	11 Dec 19	%Chg.
Value Traded (QR mn)	283.6	221.3	28.2
Exch. Market Cap. (QR mn)	568,269.6	572,519.4	(0.7)
Volume (mn)	113.8	112.0	1.6
Number of Transactions	7,347	10,585	(30.6)
Companies Traded	43	45	(4.4)
Market Breadth	13:26	26:12	-

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	18,873.63	(0.8)	(1.0)	4.0	14.9
All Share Index	3,028.97	(0.7)	(1.0)	(1.6)	14.9
Banks	4,050.28	(0.6)	(1.1)	5.7	13.6
Industrials	2,944.60	(1.4)	(1.4)	(8.4)	20.2
Transportation	2,591.96	(1.5)	(0.6)	25.8	13.9
Real Estate	1,528.48	(0.2)	(0.0)	(30.1)	11.5
Insurance	2,695.35	0.4	0.1	(10.4)	15.4
Telecoms	911.03	(0.9)	(1.6)	(7.8)	15.5
Consumer	8,591.55	(0.2)	(0.7)	27.2	19.0
Al Rayan Islamic Index	3,936.95	(0.6)	(0.5)	1.3	16.3

GCC Top Gainers**	Exchange	Close*	1D%	Vol. '000	YTD%
DP World	Dubai	12.70	2.4	413.7	(25.7)
Mouwasat Med. Serv. Co.	Saudi Arabia	85.00	2.4	49.3	5.6
Ahli United Bank	Bahrain	0.97	2.3	1,594.5	55.9
National Bank of Kuwait	Kuwait	1.05	1.6	8,597.5	32.4
Masraf Al Rayan	Qatar	3.95	1.0	10,813.9	(5.2)

GCC Top Losers**	Exchange	Close*	1D%	Vol. '000	YTD%
Rabigh Ref. & Petrochem.	Saudi Arabia	19.10	(3.7)	2,031.7	0.1
Sahara Int. Petrochemical	Saudi Arabia	16.42	(3.4)	4,545.2	(17.7)
Saudi Basic Ind. Corp.	Saudi Arabia	89.70	(3.3)	2,219.2	(22.8)
Saudi British Bank	Saudi Arabia	33.50	(2.9)	1,636.7	2.6
Industries Qatar	Qatar	10.37	(2.4)	627.4	(22.4)

Source: Bloomberg (# in Local Currency) (** GCC Top gainers/losers derived from the S&P GCC Composite Large Mid Cap Index)

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Qatar Navigation	6.17	(2.7)	349.7	(6.5)
Industries Qatar	10.37	(2.4)	627.4	(22.4)
Gulf International Services	1.77	(2.2)	1,089.5	4.1
Qatari Investors Group	1.77	(2.2)	278.6	(36.4)
Al Meera Consumer Goods Co.	15.26	(1.9)	920.4	3.1

QSE Top Value Trades	Close*	1D%	Vol. '000	YTD%
QNB Group	19.34	(0.7)	58,608.2	(0.8)
Masraf Al Rayan	3.95	1.0	42,851.3	(5.2)
Baladna	1.00	0.0	28,137.4	0.0
Qatar Islamic Bank	15.06	(1.3)	20,303.8	(0.9)
Al Meera Consumer Goods Co.	15.26	(1.9)	14,009.3	3.1

Source: Bloomberg (* in QR)

Qatar Market Commentary

- The QE Index declined 0.8% to close at 10,256.9. The Transportation and Industrials indices led the losses. The index fell on the back of selling pressure from non-Qatari shareholders despite buying support from Qatari and GCC shareholders.
- Qatar Navigation and Industries Qatar were the top losers, falling 2.7% and 2.4%, respectively. Among the top gainers, Salam International Investment Limited gained 6.9%, while Investment Holding Group was up 5.8%.
- Volume of shares traded on Thursday rose by 1.6% to 113.8mn from 112.0mn on Wednesday. However, as compared to the 30-day moving average of 116.2mn, volume for the day was 2.0% lower. Baladna and Salam International Investment Limited were the most active stocks, contributing 24.5% and 9.6% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	24.97%	24.16%	2,304,339.88
Qatari Institutions	35.89%	29.56%	17,970,408.14
Qatari	60.86%	53.72%	20,274,748.02
GCC Individuals	0.99%	0.34%	1,836,696.03
GCC Institutions	2.88%	0.21%	7,567,796.94
GCC	3.87%	0.55%	9,404,492.97
Non-Qatari Individuals	8.69%	6.19%	7,095,092.08
Non-Qatari Institutions	26.57%	39.54%	(36,774,333.06)
Non-Qatari	35.26%	45.73%	(29,679,240.98)

Source: Qatar Stock Exchange (* as a % of traded value)

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
12/12	US	Department of Labor	Initial Jobless Claims	7-Dec	252k	214k	203k
12/12	US	Department of Labor	Continuing Claims	30-Nov	1,667k	1,678k	1,698k
12/12	EU	Eurostat	Industrial Production SA MoM	Oct	-0.5%	-0.5%	-0.1%
12/12	EU	Eurostat	Industrial Production WDA YoY	Oct	-2.2%	-2.4%	-1.8%
12/12	Germany	German Federal Statistical Office	CPI MoM	Nov	-0.8%	-0.8%	-0.8%
12/12	Germany	German Federal Statistical Office	CPI YoY	Nov	1.1%	1.1%	1.1%
12/12	France	INSEE National Statistics Office	CPI MoM	Nov	0.1%	0.1%	0.1%
12/12	France	INSEE National Statistics Office	CPI YoY	Nov	1.0%	1.0%	1.0%
12/13	Japan	Ministry of Economy Trade and Industry	Industrial Production MoM	Oct	-4.5%	-	-4.2%
12/13	Japan	Ministry of Economy Trade and Industry	Industrial Production YoY	Oct	-7.7%	-	-7.4%
12/12	India	India Central Statistical Organisation	CPI YoY	Nov	5.54%	5.3%	4.62%
12/12	India	India Central Statistical Organisation	Industrial Production YoY	Oct	-3.8%	-5.0%	-4.3%
12/13	India	Directorate General of Commercial	Imports YoY	Nov	-12.7%	-	-16.3%
12/13	India	Directorate General of Commercial	Trade Balance	Nov	-\$12.1bn	-\$12.3bn	-\$11.0bn
12/13	India	Directorate General of Commercial	Exports YoY	Nov	-0.3%	-	-1.1%

Source: Bloomberg (s.a. = seasonally adjusted; n.s.a. = non-seasonally adjusted; w.d.a. = working day adjusted)

News

Qatar

- **Jumbo Electronics appoints GWCS as strategic logistics partner** – Jumbo Electronics, one of the leading retailers, distributors and MEP companies in Qatar, recently appointed Gulf Warehousing Company (GWCS) as its strategic logistics and supply chain partner. Prior to the appointment Jumbo Electronics managed its own logistics. Jumbo Electronics' distribution business includes brands such as LG, Indesit, Ariston, Oscar, JBL, Harman Kardon, Morphy Richards, Symphony, Hikoki, Nutribullet, Brother and Dometic, with products ranging from small and large appliances to a range of home entertainment products like televisions, sound bars, etc. "Over the years, its business has witnessed rapid growth, which has come about with the addition of new business lines and enhancement of its brand portfolio," the company stated in a statement. GWCS is a leading provider of logistics and supply chain solutions in Qatar. It offers a full spectrum of high-quality solutions to a variety of industry verticals. The company is backed by a team of experts in the field and supported by state-of-the-art IT systems and logistical infrastructure. At GWCS,

Jumbo Electronics has a dedicated and scalable storage space as per business needs. The automated warehouse at GWCS utilizes state-of-the-art equipment for handling both inbound and outbound products. The facility is centrally air-conditioned, which keeps dust and heat at bay, which ensures that all products are stored in a clean environment. GWCS is currently delivering to Jumbo's channel partners, hypermarkets, dealers and end customers. GWCS, with its large fleet of Jumbo-branded vehicles, is also being efficiently utilized for deliveries of Jumbo's new e-commerce business that commenced earlier this year. (Gulf-Times.com)

- **Manateq, QIBK sign MoU to facilitate 'preferential financing' for logistics parks investors** – Manateq has signed a memorandum of understanding (MoU) with Qatar Islamic Bank (QIBK) to facilitate preferential financing for its logistics parks investors. Under the agreement, investors in Manateq's four logistics parks – Jery Al Samur, Birkat Al Awamer, Al Wakra and Aba Saleel will be able to raise 60% of their project financing against land and personal guarantees from QIBK. The agreement aims to facilitate the growth of the country's small-

to-medium enterprises (SME) sector. Manateq's CEO, Fahad Rashid Al-Kaabi said, "This partnership with QIBK reflects our commitment to provide the highest levels of services to meet the requirements of our valued customers. This is an additional incentive for investors to locate to our logistics parks where they can benefit from a range of client services, unparalleled inter-connectivity, integrated infrastructure, an easy setup process, and now financing. By facilitating the easy start-up of businesses in these parks we hope to attract a wider range of sectors, indigenous enterprises and local investment. Our strategy of proactive business facilitation will bring significant contributions and benefits to the country including the development of a vibrant private sector and a diversified knowledge-based economy." (Gulf-Times.com)

- **Malaysian Prime Minister visits Baladna Food Industries** – Malaysia's Prime Minister, Mahathir Mohamed, and Malaysia's Economic Affairs Minister Mohamed Azmin Ali, visited Baladna Food Industries (BFI), the largest producer of dairy products and beverages in Qatar. Earlier this year, BFI had signed a memorandum of understanding (MoU) with FELCRA Berhad, the government-owned company of Malaysia. According to the MoU, BFI will share its expertise to help FELCRA Berhad build a large-scale dairy project to double Malaysia's fresh milk production in the next two years. This initiative is in line with Baladna's expansion plans and Malaysia's National Food Security Program. During the Prime Minister's visit, he toured the state-of-the-art facilities and held discussions on the strategic plans the flagship brand had put in place for their recent MoU with FELCRA Berhad. BFI has begun exporting products to countries around the region including, Yemen, Afghanistan, Iraq and Oman, while eyeing potential markets in Libya, Kuwait, Jordan, Mauritania. (Gulf-Times.com)
- **Finance Minister: Qatar open to accepting all currencies for trade** – Qatar is open to accepting all currencies for trade though the dollar will still dominate, Finance Minister Ali Al-Emadi told a conference in Doha on Saturday. The comment at the Doha Forum came in response to a question about whether Qatar, one of the world largest exporters of liquefied natural gas (LNG), was prepared to accept other currencies in LNG trade. "We are very much open to all currencies," Al-Emadi said on a joint panel with US Treasury Secretary Steven Mnuchin. The finance ministry clarified the comment was referring to broader trade rather than LNG specifically. The Minister added, "If you look at Qatar, as I said, most of our economy is dollarized, based on our export of energy. But if you look at the way that the financial markets are structured, we are open for all currencies. We have the Remnimbis, we have the Euros, we have the Sterlings, but the domination is for dollars. For us in Qatar, the currency has been pegged to the dollar for decades. It fits our economy and it seems that it's working very well for us. When you have a country having 25% of the global GDP, their currency, whether we like it or not, will dominate and that's a fact." (Reuters)
- **Qatar set to be world's largest LNG producer says Al-Attiyah** – Qatar is on track to become the world's largest producer of liquefied natural gas (LNG), the country's former Energy Minister stressed on Saturday during a discussion at the Doha Forum. HE Abdullah bin Hamad Al-Attiyah, the Chairman of the Al-Attiyah International Foundation for Energy and

Sustainable Development, made the statement during the forum's special session titled 'Spotlight Conversation with HE Abdullah bin Hamad Al-Attiyah'. Al-Attiyah recalled Qatar's journey in the oil and gas industry and how it emerged as a leading producer of LNG through its partnerships with major oil and gas companies in the US and Europe. "Since discovering liquid gas, Qatar emerged as among the biggest producers of LNG worldwide," Al-Attiyah noted, adding that the country's success in the hydrocarbon sector enabled it to create a wide range of downstream industries in the succeeding years. Aside from local production, al-Attiyah said Qatar also managed to create offshore projects with its international partners, citing one of its largest LNG projects outside the country with ExxonMobil – the Golden Pass LNG Export Project located in Sabine Pass, Texas, US. (Gulf-Times.com)

- **QIA, VW in autonomous e-shuttle deal** – Prime Minister and Minister of Interior HE Sheikh Abdullah bin Nasser bin Khalifa Al Thani witnessed the signing of 'Project Qatar Mobility' agreement between Qatar Investment Authority (QIA) and Volkswagen (VW) in Doha on Saturday. The agreement, which was signed on the sidelines of Doha Forum 2019, is aimed at introducing for the first time ever a cutting-edge fleet of self-driving level 4 electric shuttles and buses to operate on self-driving system (SDS) with zero emissions during the 2022 FIFA World Cup in Doha. Qatar will thus be the venue for the world's first emission-free, electric and autonomous public transport system. Fostering cross-brand collaboration as a blueprint for future Autonomous Driving (AD) solutions, Volkswagen Commercial Vehicles, Scania, MOIA and AID-Autonomous Intelligent Driving will play an important role in this project. The goal is to develop a ground-breaking autonomous transport project and transform the future of urban mobility to a sustainable and commercial deployment of AD shuttles and bus services even beyond 2022 as per the agreement. (Qatar Tribune)
- **LCI-Q to promote 'lean culture' in Qatar's construction industry** – The Lean Construction Institute Qatar (LCI-Q) was formally launched in Doha recently to promote 'lean culture' within the country's construction industry. The institute, which was registered with the Qatar Financial Centre, is the first of its kind in the MENA and Asian region. It now seeks to advance the adoption of lean construction methodology, which is embraced by a growing number of construction firms globally, for ensuring that a project is quickly done; lower costs are incurred during the building process, eliminating waste, and increasing value and efficiency in the construction sector. "Construction projects are happening all over Qatar, whether it's in infrastructure, building, rails, or services needed for the World Cup. Our target is to apply the lean construction in reducing waste and improving the efficiency of the construction industry. While doing that, this will also reduce the cost incurred in the construction sector," Abdulla Yaqoub Al Sayed, President of LCI-Q said, who is also the Chief Development & Project Delivery Officer for Asia & Africa at Qatari Diar. (Peninsula Qatar)
- **Malaysia eyes more Qatari investments** – Malaysia is eyeing Qatar in its liquefied natural gas (LNG) storage project as it seeks to be a storage and redistribution hub for the region. The

South East Asian country has also assured its help in facilitating Qatari corporate sector's entry into the wider ASEAN region. Malaysia is also toying with the idea of establishing a car manufacturing plant in Qatar as part of plans to tap the wider markets in the Middle East region. Highlighting that there are areas where Qatar can invest in Malaysia, especially in oil and gas; Malaysia's Prime Minister Mahathir Mohamed said, "There is a proposal now for LNG to be stored in Malaysia for redistribution to the surrounding countries." However, no further details were disclosed. Addressing the roundtable meeting with the industry captains, organized by Malaysia in association with Qatar Chamber and Qatari Businessmen Association (QBA), he said Malaysia is hopeful of doing "quite a lot" of business with Qatar in the oil and gas sector. (Gulf-Times.com)

International

- **QNB Group sees upside potential for oil prices in 2020** – Global macro conditions, policy easing, industry-specific developments and shifts in risk sentiment are set to create a strong support for Brent prices in 2020, QNB Group has stated in an economic commentary. The oil price story in 2019 was dominated by a plethora of cross-currents coming from both global macro and industry specific events. On the bearish side, the global manufacturing slump, demand fears associated with US-China trade conflicts and continuous robust growth in US shale production placed downward pressure on prices, QNB Group noted. On the bullish side, geopolitical disruptions in oil exporting nations and active supply management from OPEC+ countries provided some support to prices. On balance, however, bearish forces prevailed, pushing average Brent crude prices down to \$64 per barrel so far this year from \$72 per barrel in 2018. Moving forward, while Bloomberg consensus forecasts suggest further oil market weakness with Brent prices sliding down to average \$61 per barrel in 2020, QNB Group stated it holds a different position. In QNB Group's view, Brent prices are expected to remain well supported at around the current levels of \$65 per barrel, with the balance of risks skewed to the upside, i.e., it believes higher prices are more likely in 2020 than lower prices. (Gulf-Times.com)
- **Mnuchin says trade deal with China to boost global economy** – The US Treasury Secretary, Steven Mnuchin said on Saturday a phase one trade deal between the US and China was very good for global economic growth, and added that the second phase could come in several steps. The US and China cooled their trade war on Friday, announcing a phase one agreement that reduces some US tariffs in exchange for what US officials said would be a big jump in Chinese purchases of American farm products and other goods. Mnuchin said full details of the new deal, or a factsheet on phase one, would come out later on Saturday or on Sunday after both sides do fact and language checks. "We expect it will be fully executed in January. And then we get to 'phase two'," Mnuchin told the Doha Forum conference in Qatar. Mnuchin said the deal with China aimed to create more reciprocal trade relations for many years, adding that the deal would be very good for global growth. He said the US continued to remain the bright spot of the global economy, while Europe and Asia were slowing down. (Reuters)
- **US producer prices tepid; jobless claims at more than two-year high** – The US producer prices were unexpectedly unchanged in November as increases in food and gasoline prices were offset by declining costs for services, pointing to muted inflation despite a recent uptick in consumer prices. Other data on Thursday showed the number of Americans filing for unemployment benefits surged to more than a two-year high last week. The jump in jobless claims, however, likely does not signal a pickup in layoffs as the data tends to be volatile in the period following the Thanksgiving Day holiday. The Labor Department stated the flat reading in its producer price index (PPI) for final demand last month followed a 0.4% rebound in October. The PPI gained 1.1% in the 12 months through November, matching October's rise, which was the smallest increase since October 2016. Economists polled by Reuters had forecasted the PPI would rise 0.2% in November and accelerate 1.2% on a YoY basis. In another report on Thursday, the Labor Department stated initial claims for state unemployment benefits surged 49,000 to a seasonally adjusted 252,000 for the week ended December 7, the highest reading since September 2017. The increase was the largest since August 2017. Economists had forecasted claims would increase to 213,000 in the latest week. The four-week moving average of initial claims, considered a better measure of labor market trends as it irons out week-to-week volatility, rose 6,250 to 224,000 last week. (Reuters)
- **New home purchase mortgage applications increases 27.1% in November** – The Mortgage Bankers Association (MBA) Builder Application Survey (BAS) data for November 2019 shows mortgage applications for new home purchases increased 27.1% compared from a year ago. Compared to October 2019, applications decreased by 17%. This change does not include any adjustment for typical seasonal patterns. MBA estimates new single-family home sales were running at a seasonally adjusted annual rate of 688,000 units in November 2019, based on data from the BAS. The new home sales estimate is derived using mortgage application information from the BAS, as well as assumptions regarding market coverage and other factors. The seasonally adjusted estimate for November is a decrease of 13% from the October pace of 791,000 units. On an unadjusted basis, MBA estimates that there were 51,000 new home sales in November 2019, a decrease of 16.4 percent from 61,000 new home sales in October. By product type, conventional loans composed 69.2% of loan applications, FHA loans composed 18.0%, loans composed 0.6% and VA loans composed 12.2%. The average loan size of new homes increased from \$335,235 in October to \$337,943 in November. (MBA)
- **Lackluster US retail sales dim fourth quarter economic growth outlook** – The US retail sales increased less than expected in November as Americans cut back on discretionary spending despite a strong labor market, raising fears the economy was slowing a bit faster than anticipated in the fourth quarter. Retail sales rose 0.2% last month. Data for October was revised up to show retail sales increasing 0.4% instead of climbing 0.3% as previously reported. Economists polled by Reuters had forecasted retail sales would accelerate 0.5% in November. Compared to November last year, retail sales increased 3.3%. Consumer spending grew at a 2.9% annualized rate in the third quarter. November's slim gain in core retail sales left

economists to expect that consumer spending would rise at around a 2.0% rate in the fourth quarter. However, slowing consumer spending is boosting inventories at retailers, which could limit the downside to fourth-quarter GDP growth. In a separate report on Friday, the Commerce Department stated retail inventories excluding autos, which go into the calculation of GDP, increased 0.7% in October after rising 0.2% in September. (Reuters)

- **Fed policymakers see US economy on good footing** – The US economy is doing well and looks set to stay that way next year, two top Federal Reserve policymakers stated on Friday, remarks that suggest they are content to leave interest rates where they are. “I think the economy is in a good place,” US Federal Reserve Vice Chair Richard Clarida said in an interview with Fox Business Network, adding that the consumer has never been in better shape. He added, “We have the strongest labor market in 50 years, we have low and stable inflation, we have solid growth and our baseline outlook for the economy is more of the same in 2020.” (Reuters)
- **Eurozone’s industrial production falls as expected in October** – Eurozone’s industrial production fell as expected in October because of a decline in the output of capital goods used for investment, estimates from the European Union’s statistics office Eurostat showed on Thursday. Eurostat stated production in the 19 countries sharing the Euro fell 0.5% MoM for 2.2% YoY decline. Economists polled by Reuters had expected the 0.5% monthly fall and forecast a 2.3% annual deterioration. Capital goods production fell by 2% on the month for a 3.6% YoY fall, pulling down the whole index, even though the output of durable and non-durable consumer goods rose. (Reuters)
- **EU leaders postpone Eurozone reform until June 2020** – European Union (EU) leaders postponed on Friday a package of reforms to safeguard the Eurozone from a new crisis, giving Finance Ministers another six months to work out compromises in discussions that have dragged on since June 2015. The 19 countries sharing the Euro, shaken by the sovereign debt crisis, want to prepare for future trouble better through close integration of banks, a Eurozone budget and expanded role for the ESM bailout fund. However, even though this is a slimmed down wish-list, EU leaders failed to agree any of the three elements on Friday. The leaders’ statement stated the Eurogroup of Eurozone’s Finance Ministers would continue to work on the reforms. Reform of the bailout fund would allow it to lend to the Eurozone’s bank resolution fund, which arranges the winding down of banks, should it run out of cash in a major crisis. (Reuters)
- **Japan business mood gloomiest in nearly seven years as trade war bites** – Japanese big manufacturers’ business mood sank to a near seven year low in the fourth quarter, a closely watched central bank survey showed, as the US-China trade war and soft global demand weighed on the export-reliant economy. The headline index for big manufacturers’ sentiment stood at zero in December, down from plus five in September and worse than a median market forecast of plus two, the tankan showed on Friday. It marked the fourth straight quarter of decline and hit the lowest reading since March 2013, a month before Bank of Japan’s Governor, Haruhiko Kuroda deployed his bazooka

monetary stimulus to pull Japan out of deflation. Underscoring the pain from the trade war, an index gauging big automakers’ sentiment turned negative for the first time in more than three years. (Reuters)

- **Japan government to set assumed long-term rate for budget at record low** – Japan’s government is finalizing plans to set the assumed long-term interest rate for compiling next fiscal year’s budget at 1.1%, government sources said. That would be a record low level for the fourth straight year, a sign the Bank of Japan’s ultra-loose monetary policy is helping keep the cost of financing the country’s huge debt pile low. (Reuters)
- **China top diplomat says China-US trade deal good news for all** – China and the US phase one trade agreement is good news for all and will provide stability in global trade, the Chinese government’s top diplomat Wang Yi said during a visit to Slovenia on Saturday. He said, however, that there were still many issues between the two sides that needed to be addressed. Earlier this week, Washington and Beijing agreed on the terms of a phase one trade deal that reduces some US tariffs on Chinese goods while boosting Chinese purchases of American farm, energy and other goods. According to Wang, who spoke in Chinese, the agreement will help to shore up confidence in (the) world economy. China never believed that resorting to tariff hikes is the right way because there is no winner in a trade war, he said, adding his country was opposed to protectionism. (Reuters)
- **China to keep policies steady in 2020 as economic growth slows** – China will keep economic policies stable while making them more effective in 2020 to help achieve its annual growth target, the Xinhua news agency stated after a meeting of top officials as the economy has cooled amid a trade war with the US. The annual Central Economic Work Conference, a closed-door gathering of top leaders and policymakers, is being watched by investors for any fresh policy steps to ward off a sharper slowdown in the world second-largest economy. China’s economic growth cooled to a near 30-year low of 6% in the third quarter and could slip further in the fourth quarter, although for the full year it remains on track to meet the government’s target of 6%-6.5%. China would maintain its proactive fiscal policy and prudent monetary policy, making economic adjustments more forward-looking, targeted and effective, Xinhua stated. (Reuters)
- **India’s October industrial output contracts 3.8%** – India’s industrial output contracted 3.8% in October from a year earlier, government data showed on Thursday. Analysts polled by Reuters had forecasted October industrial output to fall 5%. The cumulative growth in April-October over the corresponding period of the previous year was 0.5%. (Reuters)

Regional

- **IEA: Oil market to remain oversupplied despite deepening OPEC+ cuts** – Global oil inventories could rise sharply despite OPEC and its allies deepening their output cuts and slowing US production growth, the International Energy Agency (IEA) stated. “Despite the additional curbs and a reduction in our forecast of 2020 non-OPEC supply growth to 2.1 million barrels per day (bpd), global oil inventories could build by 700,000 bpd in Q1 2020,” the Paris-based IEA stated in a monthly report. The countries OPEC and others including Russia - the OPEC+ group

of producers - agreed last week to rein in output by an extra 500,000 bpd in the first quarter of 2020 to balance the market and support prices, however, they stopped short of pledging action beyond March. Even if OPEC+ adhered strictly to their new pact and political troubles continued to hobble exports from Iran, Libya and Venezuela, the IEA stated that only 530,000 bpd of crude would be withdrawn from the market compared to November production. This contrasts with OPEC's own research which forecasts a small deficit in the market next year due to Saudi Arabia's supply restraint even before the latest cut agreement takes effect. OPEC+ output is set to outstrip projected demand for its crude by 700,000 bpd in the first half of next year and by 1mn bpd in the second half, the IEA stated. The IEA lowered its forecast for supply growth by non-OPEC countries in 2020 by 200,000 bpd "on a continued slowdown in the US, reduced expectations for Brazil and Ghana as well as additional cuts by (OPEC's allies)". The biggest reduction is expected to be in US shale output, where operators have been cutting spending under investor pressure to improve returns. The IEA estimates total US oil production growth will slow to 1.1mn bpd in 2020 from 1.6mn bpd this year. (Reuters)

- **Saudi Aramco hits \$2tn goal despite valuation doubts** – Saudi Aramco hit the \$2tn target as its shares racked up a second day of gains, despite some skepticism about the state-owned oil firm's value. Saudi Aramco's IPO is the centerpiece of the Saudi Crown Prince's vision for diversifying the Kingdom away from its oil dependence by using the \$25.6bn raised to develop other industries. However, that is well below his 2016 plan to raise as much as \$100bn via a blockbuster international and domestic IPO. (Reuters)
- **Saudi Aramco said to pay banks only \$64mn for record IPO** – Saudi Aramco is poised to pay a combined \$64mn to the banks that arranged the world's largest IPO, a letdown for the Wall Street firms that pitched aggressively for a spot on the deal, sources said. Saudi Aramco plans to pay the top local banks on the deal, known as joint global coordinators \$10.4mn apiece, according to sources. The top foreign banks on the deal are set to each get \$3.5mn, sources said. The figures represent the base fee being paid by Saudi Aramco, which will decide the amount of discretionary incentive fees at a later date, sources said. If Saudi Aramco opts to dole out additional money, most of it would likely go to the domestic banks that brought in the bulk of the IPO orders. (Bloomberg)
- **Najran Cement Company announces a partial buy back and cancellation of its Sukuk** – Najran Cement Company announced that it has done a buy-back and cancellation of 45 of the company's Sukuk, with a total value of SR45mn representing 11.25% of the total issuance value, and the buy-back was made at the nominal value of the Sukuk and was funded using the company's own resources. It should be noted that on June 14, 2015, the company issued local Shari'ah-compliant Sukuk in Saudi Riyals with a total value of SR400mn which was offered by way of a private placement at nominal value and due in June 2020. As a result of this buy-back transaction, the purchased Sukuk will be canceled according to the terms and conditions of the Sukuk contract, thus the total value of the private issuance will be SR355mn. The expected financial impact of this transaction is a decrease in financial charges for the upcoming

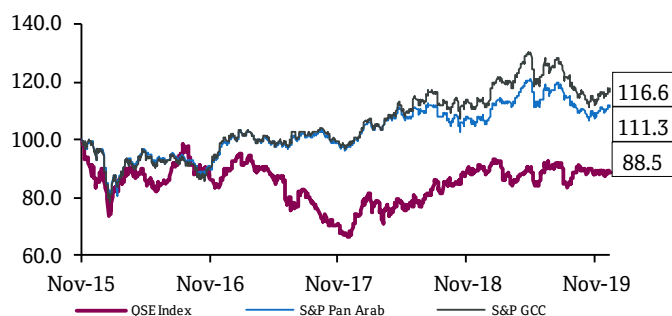
period as a result of a decrease in the issuance gross value. The financial impact might change because it is linked to the value of the three month SAIBOR. (Tadawul)

- **SAMA suspends four insurance firms** – The Saudi Arabian Monetary Authority (SAMA) has suspended four free companies from practicing any activity in the insurance sector, These companies are Al Wafaa, Najm Altazzafor, Wathiqati, and Mazoon Al Namaa, according to a statement issued. SAMA attributed that decision to these companies' failure to comply with the regulatory requirements of the cooperative insurance companies control law and its executive regulations and instructions. Moreover, SAMA affirmed that it will initiate talks and statutory procedures regarding these companies. (Zawya)
- **ENBD's Turkey unit Denizbank gets \$1.1bn syndicated loan** – Emirates NBD's (ENBD) Turkey unit Denizbank has received \$1.1bn syndicated loan. The loan is obtained with participation of 45 banks from 22 countries in one and two year tranches, the Turkish lender stated. The deal is coordinated by Abu Dhabi Commercial Bank, Bank of America Merrill Lynch and Emirates NBD Capital while Mizuho Bank acted as facility agent. European Bank for Reconstruction and Development (EBRD) invested Dollar equivalent of EUR50mn. The loan will be used for international trade clients including tourism and maritime sectors, whereas EBRD funds will specifically be available to support agriculture. The loan is the largest fresh funding obtained by a Turkish bank in 2019, Denizbank stated. (Bloomberg)
- **Wizz Air seeks Middle East growth with new Abu Dhabi airline** – Wizz Air stated that it has planned to launch Wizz Air Abu Dhabi next year in its first expansion beyond Europe, as the low-cost airline seeks to grow by offering its budget prices on Middle East routes. Budapest-based Wizz Air, one of the largest low-cost airlines in Central and Eastern Europe, said its new carrier aims to offer flights from Europe to the Middle East. Wizz CEO, Jozsef Varadi said that the new airline would be a major source of growth in the future, bringing tourists from its markets in Europe and Russia to Abu Dhabi and in the longer term, flying between the Middle East, the Indian subcontinent and Africa. "The intention and the purpose of coming to Abu Dhabi is to stimulate the market place. Abu Dhabi is hugely underpenetrated with regard to low-cost flying," he said. London-listed Wizz Air stated that the new airline would have an initial capital requirement of about \$50mn and would use Airbus A320neo, A321neo and A321XLR planes Wizz already has on order. Wizz, which has operated flights from European cities to Dubai since 2013, will create the new airline through a joint venture in which Wizz will have 49% and state-owned Abu Dhabi Development Holding Company 51%. Due to start flying in the second half of 2020, the new airline will face competition from Abu Dhabi's Etihad Airways' low-cost joint venture with Air Arabia, due to begin operations from the second quarter of 2020 out of Abu Dhabi. However, he added that Wizz would have the advantage as it would be cheaper. In Europe, Wizz vies with no-frills Ryanair as an "ultra low-cost" carrier. (Reuters)
- **Boubyan Petrochemical exits stake in Saudi Aramco** – Boubyan Petrochemical Company has sold its entire shares in Saudi Arabian Oil Co (Saudi Aramco), just after two sessions,

profiting KD1.6mn, according to a bourse statement. Boubyan sold nearly 3.326mn Saudi Aramco shares for KD10.2mn, the oil company stated in a disclosure to Boursa Kuwait. The profit resulting from the sale will be included in the financial results of its third quarter to January 31, 2020, Boubyan stated. Earlier this week, Boubyan has subscribed to Saudi Aramco's IPO, with allocated shares valued at KD8.6mn. (Zawya)

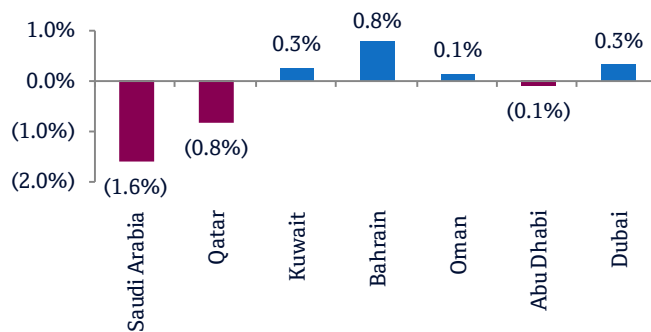
- **Oman LNG sells January loading cargo at mid- to high-\$4 FOB –** Oman LNG sells a spot cargo on an FOB basis for early-January loading at the mid- to high-\$4/mmbtu level, according to traders. Cargo was sold earlier this week. (Bloomberg)
- **First global fintech firm lists on Bahrain Investment Market –** Sprinkle Holding, a capital markets focused fintech firm, has become the first company to list on the Bahrain Investment Market at the Bahrain Bourse (BHB). Launched in March 2017 with six authorized sponsors operating in it, the Bahrain Investment Market, or BIM, is an equity market designed for fast-growing companies seeking growth capital. A Bahrain-based entity with a global establishment of affiliates ranging from the US, Europe, and China, Sprinkle Holding will trade under the symbol SPKL in BIM. Going forward, these affiliates will become subsidiaries of Sprinkle Holding, which is currently listing as a closed company, and aims to raise capital through public offering within the next two years. (Zawya)
- **Bahrain sells BHD43mn 91-day Sukuk; bid-cover at 1,537.98x –** Bahrain sold BHD43mn of 91 day Sukuk due on March 18, 2020. Investors offered to buy 1,537.98 times the amount of securities sold. The Sukuk have a yield of 2.56% and will settle on December 18, 2019. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,476.33	0.4	1.1	15.1
Silver/Ounce	16.93	0.0	2.1	9.3
Crude Oil (Brent)/Barrel (FM Future)	65.22	1.6	1.3	21.2
Crude Oil (WTI)/Barrel (FM Future)	60.07	1.5	1.5	32.3
Natural Gas (Henry Hub)/MMBtu	2.25	(1.3)	(2.2)	(29.4)
LPG Propane (Arab Gulf)/Ton	51.25	(1.4)	(0.5)	(19.3)
LPG Butane (Arab Gulf)/Ton	72.38	1.2	6.8	3.4
Euro	1.11	(0.1)	0.6	(3.0)
Yen	109.38	0.1	0.7	(0.3)
GBP	1.33	1.3	1.5	4.5
CHF	1.02	0.1	0.7	(0.2)
AUD	0.69	(0.5)	0.5	(2.5)
USD Index	97.17	(0.2)	(0.5)	1.0
RUB	62.88	0.1	(1.4)	(9.8)
BRL	0.24	(0.4)	0.8	(5.5)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,319.73	0.4	1.0	23.1
DJ Industrial	28,135.38	0.0	0.4	20.6
S&P 500	3,168.80	0.0	0.7	26.4
NASDAQ 100	8,734.88	0.2	0.9	31.6
STOXX 600	412.02	1.1	1.7	18.4
DAX	13,282.72	0.5	1.4	22.2
FTSE 100	7,353.44	2.7	3.0	14.2
CAC 40	5,919.02	0.6	1.4	21.4
Nikkei	24,023.10	2.5	2.2	21.2
MSCI EM	1,086.91	1.5	3.6	12.5
SHANGHAI SE Composite	2,967.68	1.7	2.5	17.0
HANG SENG	27,687.76	2.7	4.9	7.6
BSE SENSEX	41,009.71	0.9	2.2	12.1
Bovespa	112,564.90	0.1	2.4	20.6
RTS	1,501.42	0.3	3.7	40.5

Source: Bloomberg (*\$ adjusted returns)

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